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Canfor Investments Ltd.

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Annual Report  
1982



# Directors' report to the shareholders

Severely depressed economic conditions during 1982 resulted in a loss of \$12,707,000, the first ever experienced by Canfor Investments Ltd., and a dramatic reversal from 1981 earnings of \$23,511,000. All of the Company's investments were affected by the recession but the impact was most drastic on its forest industry interests. The only investment which had a profitable year was Yorkshire Trust Company.

## Forest Industry Investments

The forest industry investments include a 50 per cent interest in Prince George Pulp and Paper Limited and a 37.5 per cent interest in Intercontinental Pulp Company Ltd.; another subsidiary of Canadian Forest Products Ltd. owns like percentages of these two companies,

which operate bleached kraft pulp and sack kraft paper mills in Prince George, British Columbia. Takla Forest Products, an equal corporate partnership of the pulp and paper companies, manufactures studs, dimension lumber and pulp chips at Fort St. James and Isle Pierre in the north central interior of British Columbia. An affiliated company, B.C. Chemicals Ltd. (of which Prince George Pulp and Paper and Intercontinental each owns 25 per cent), operates sodium chlorate and crude tall oil facilities near the pulp and paper mills.

During 1982, the devastating economic recession brought about a decline in pulp markets of almost unprecedented severity. Prices fell precipitously for most of the year and demand virtually collapsed in the second half, necessitating considerable mill curtailment. The sack kraft market experienced similar problems but they were somewhat less pronounced and occurred later. In the case of lumber products, high interest rates and weak consumer confidence kept housing starts at very low levels for most of the year. Prices and demand for lumber and studs therefore remained severely depressed and major curtailments of production were necessary.

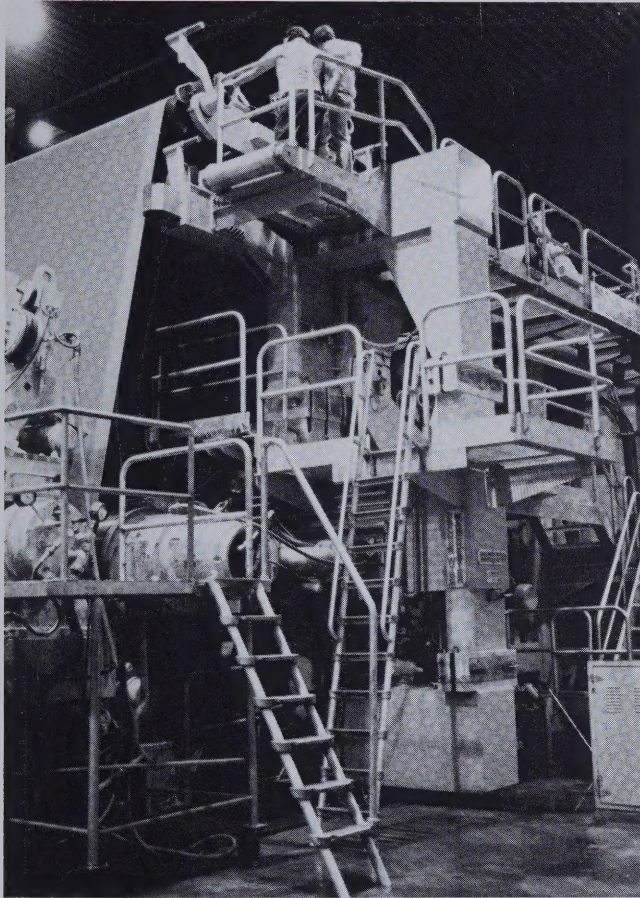
Adding to these market difficulties, most costs continued to escalate despite rigorous restraint measures taken to effect economies. In particular, debt servicing costs climbed due to high interest rates and increasing levels of borrowing, and labor costs rose significantly at mid year as 13 per cent wage increases were implemented for the second year of the current collective agreements.

Owing to the above factors, Prince George Pulp and Paper experienced a net loss of \$12,794,000 in 1982, compared to 1981 net earnings of \$3,220,000; Intercontinental also experienced a loss in 1982 amounting to \$12,027,000 versus 1981 net earnings of \$3,819,000. Relative to 1981 revenues — which were depressed by a lengthy strike — 1982 revenues of Prince George Pulp and Paper and Intercontinental showed respective declines of only three per cent and nine per cent. However, when compared to the more normal year of 1980, 1982 revenues of these two companies were down by 20 per cent and 15 per cent respectively. Canfor Investments' equity share of the 1982 net losses of the forest industry investments amounted to \$10,907,000 compared to last year's net earnings equity share of \$3,042,000.

***This new energy system at Takla's Isle Pierre operation will save \$700,000 annually in heat costs.***







**A new \$11.5 million Escher Wyss press section at Prince George Pulp and Paper has improved the company's competitiveness in sack kraft paper markets.**

In the case of Takla Forest Products, significant losses were also encountered, amounting to \$14,424,000 before income taxes, compared to a loss before taxes of \$12,782,000 in 1981. Takla's losses are included in the net results of Prince George and Intercontinental.

B.C. Chemical's 1982 results were much improved from the low levels caused by the strike in 1981, and reflected in part the successful startup of the expanded sodium chlorate facilities. These facilities, which employ the latest available technology, were constructed during 1981 and early 1982 at a cost of \$8 million.

For 1983, the North American lumber market outlook has brightened considerably, following recent interest rate declines and moderating concerns over the imposition of US countervailing duties on lumber. In addition,

there are early signs of strengthening in pulp markets. On the negative side, pulp and paper production curtailments will still be required and high accumulated levels of borrowing will impose a heavy debt servicing burden on the forest industry investments, even at today's lower interest rates. Also, the forest industry contract negotiations could prove disruptive if the unions fail to recognize the forest industry's vital need for wage restraint and an extended period of stability. On balance, however, the 1983 outlook for the forest industry investments indicates a modest improvement over the disastrous 1982 results, and a rising level of activity is expected as the year progresses.

#### **Versatile Corporation**

Versatile Corporation's five-year record of uninterrupted growth in revenues and earnings was broken in 1982 by the recession. Due primarily to adverse conditions in its agricultural equipment and oil and gas operations, revenues for the year declined to \$759,749,000, down 15 per cent from 1981, and a net loss of \$3,413,000 was incurred after provision for dividends on preferred shares. This is in contrast to 1981 net earnings of \$45,672,000, expressed on the same basis. Canfor Investment's equity share of Versatile's net loss was \$2,810,000, after an adjustment of \$1,313,000 to reflect the Company's reduced equity interest in Versatile due to the exercise of warrants at a price less than equity book value. Last year's equity share of Versatile's net earnings was \$19,314,000, after an adjustment of \$1,428,000 to reflect the exercise of warrants in that year.

During 1982, Versatile paid common share dividends of 27 cents per share, compared to 30 cents per share in 1981. For the first quarter of 1983, Versatile paid a dividend of five cents per share.

Versatile's agricultural equipment activities were hurt by depressed retail markets for farm equipment in Canada and the US which cut margins and lowered revenues, even though market share was increased. Production at the Winnipeg plant was curtailed to reduce dealer inventories, and costs were trimmed back in all areas other than research and development.

Cold storage operations once again reported satisfactory results for the year. The successful integration of the expanded Alberta facilities, plus good cost control and sound marketing, all contributed to this outcome.

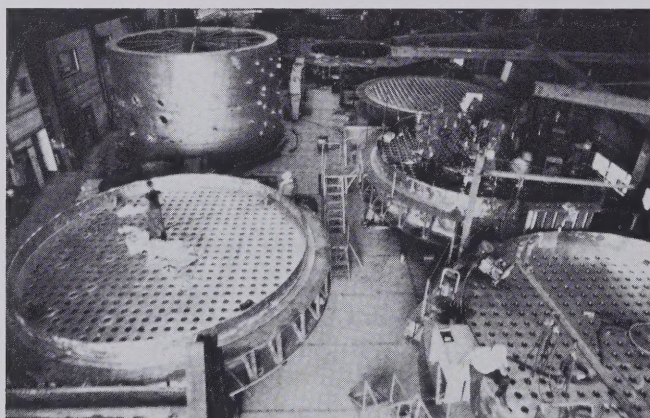


Versatile's marine and industrial operations enjoyed a heavy volume of ship repair and ship building business in 1982, although some non-recurring productivity problems were encountered as a result of high manning levels. On the industrial side, Versatile Vickers experienced a reduced level of activity due to the economic slowdown; an enhanced marketing effort was undertaken to remedy this situation.

In respect to Versatile's oil and gas operations, the marked decline in exploration for petroleum resources in North America had a sharp impact on the results of Bralorne Resources Limited, through which Versatile

has its major participation in oil and gas. The lack of demand for Bralorne's products and services required a significant degree of rationalization and curtailment of facilities and employment. Versatile's other oil and gas exploration activities continued in 1982, but at a reduced level during the second half.

Versatile will likely continue to experience difficult economic conditions in 1983 since its major sectors of activity — agricultural equipment and oil and gas exploration — are expected to recover more slowly than the economy as a whole. However, Versatile will continue to stress inventory control, production efficiency, cost reduction and innovative marketing in order to further strengthen its position and so be able to rebound rapidly as economic conditions eventually improve.



***Intricate, close tolerance machining of stainless steel is a specialty of Versatile Vickers of Montreal.***



***Despite depressed farm implement markets, Versatile increased its market share with equipment like this model 895, four-wheel-drive tractor.***

#### **Yorkshire Trust Company**

In contrast to the Company's other investments, Yorkshire Trust achieved a profit last year, recording net earnings of \$1,413,000 for the 12 months ended December 31, 1982, versus \$2,464,000 for the corresponding period in 1981. Canfor Investments' equity share of these earnings was \$1,006,000 in 1982 and \$1,167,000 in 1981 after adjustments for amortization and increased equity interest as described in note 2(c) to the accompanying financial statements.

Yorkshire's assets and revenues increased by 15 per cent and 13 per cent for the year and the quarterly

dividend was raised from 55 cents per share to 80 cents per share, commencing with the July, 1982 payment. After omitting the October, 1982 payment, Yorkshire paid a dividend of 80 cents per share in January, 1983.

Yorkshire's 1982 results were restrained by reduced interest rate spreads, limited availability of three to five year deposits and lower demand for loans. Also, the 1982 results reflect a sizable provision for losses on loans and securities. Despite the difficult financial environment in which it has been operating, Yorkshire is in excellent financial condition with good liquidity and a close matching of



assets and liabilities as to term and as to interest rate sensitivity.

#### **Changes in Investments**

In May, 1982, the Company transferred all of its shares in Yorkshire Trust Company to a new wholly owned subsidiary, Canfor Investments Holdings Ltd., in return for issued shares of the subsidiary.

#### **Purchase of Preference Shares**

The terms of the Canfor Investments Ltd. preference share issue require the Company to purchase, at its discretion and if available, in each calendar year beginning with 1976, up to 25,000 preference shares in the open market at prices not exceeding \$5 per share plus accrued and unpaid dividends and costs of purchase. During 1982, 4,300 preference shares were purchased at prices not exceeding \$5 per share and these shares were cancelled.

#### **Payment of Dividends**

Having maintained the dividend reserve fund at the appropriate levels during 1982, the Company declared and paid at various times during the year dividends totalling \$2.226 per common share to Canadian Forest Products Ltd. which company continues to own all of the common shares of Canfor Investments Ltd.

#### **Some Words of Thanks**

As reflected in the foregoing financial results, 1982 was a difficult year for Canfor Investments, and it was an equally trying year for the personnel of the companies in



***With its new AMOS computer program, Yorkshire offers pension fund managers current financial data to help maximize returns on their investments.***

which it holds shares. We extend to all employees of the forest companies, Versatile and Yorkshire our appreciation for their cooperation and extra effort put forward during the past year.

On behalf of the directors,

P.J.G. Bentley  
President  
April 6, 1983  
Vancouver, British Columbia



# Canfor Investments Ltd.

## STATEMENT OF OPERATIONS

Year ended December 31

	1982	1981
Equity share of (loss) earnings (Schedule)		
Versatile Corporation	\$ (2,810,000)	\$19,314,000
Prince George Pulp and Paper Limited	(6,397,000)	1,610,000
Intercontinental Pulp Company Ltd.	(4,510,000)	1,432,000
Yorkshire Trust Company	<u>1,006,000</u>	<u>1,167,000</u>
	(12,711,000)	23,523,000
Other investment income	<u>55,000</u>	<u>68,000</u>
	(12,656,000)	23,591,000
Deduct: Administrative expenses (including interest expense of \$8,000; 1981—\$67,000)	<u>51,000</u>	<u>94,000</u>
(Loss) earnings before income taxes	(12,707,000)	23,497,000
Income tax recovery	<u>-</u>	<u>14,000</u>
Net (loss) earnings for year	<u>\$ (12,707,000)</u>	<u>\$23,511,000</u>

	1982	1981
Basic (loss) earnings per common share after reflection of preference share dividend accrual	\$(12.37)	\$22.16
Fully diluted (Note 6)	-	\$20.83

## STATEMENT OF EARNINGS REINVESTED IN THE BUSINESS

Year ended December 31

	1982	1981
Balance, beginning of year	\$ 71,086,000	\$48,715,000
Net (loss) earnings for year	<u>(12,707,000)</u>	<u>23,511,000</u>
	58,379,000	72,226,000
Less:		
Dividends paid—		
Preference shares	265,000	272,000
Common shares	<u>2,334,000</u>	<u>868,000</u>
	2,599,000	1,140,000
Balance, end of year	<u>\$ 55,780,000</u>	<u>\$71,086,000</u>

## STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31

	1982	1981
<b>Source of working capital</b>		
Net (loss) earnings for year	\$ (12,707,000)	\$ 23,511,000
Less: (Loss) earnings from equity investments	<u>(12,711,000)</u>	<u>23,523,000</u>
	4,000	(12,000)
Dividends from equity investments	<u>3,202,000</u>	<u>4,015,000</u>
	3,206,000	4,003,000
<b>Application of working capital</b>		
Additional investment—		
Yorkshire Trust Company	-	1,806,000
Versatile Corporation	-	1,190,000
Dividends paid—		
Preference shares	265,000	272,000
Common shares	2,334,000	868,000
Purchase of preference shares	<u>16,000</u>	<u>59,000</u>
	<u>2,615,000</u>	<u>4,195,000</u>
Resulting in a working capital increase (decrease)	<u>\$ 591,000</u>	<u>\$ (192,000)</u>

## SUMMARY OF CHANGES IN WORKING CAPITAL

	1982	1981	Increase (decrease)
Current assets	\$825,000	\$428,000	\$ 397,000
Current liabilities	<u>8,000</u>	<u>202,000</u>	<u>(194,000)</u>
Working capital	<u>\$817,000</u>	<u>\$226,000</u>	<u>\$ 591,000</u>



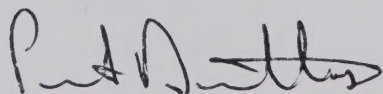
# Canfor Investments Ltd.

## BALANCE SHEET

December 31

ASSETS	1982	1981
<b>Current assets</b>		
Cash	\$ 23,000	\$ 10,000
Temporary investments, at cost which approximates market value—preference share dividend reserve fund (Note 3)	398,000	401,000
Advance to parent (Note 7)	400,000	-
Interest receivable	3,000	2,000
Income tax recoverable	-	14,000
Prepaid expenses	<u>1,000</u>	<u>1,000</u>
	825,000	428,000
<b>Investments</b>		
At equity (Schedule and Note 2)—		
Versatile Corporation	63,616,000	69,353,000
Prince George Pulp and Paper Limited	13,344,000	19,741,000
Intercontinental Pulp Company Ltd.	8,311,000	12,821,000
Yorkshire Trust Company	<u>10,106,000</u>	<u>9,375,000</u>
	95,377,000	111,290,000
	<u>\$ 96,202,000</u>	<u>\$ 111,718,000</u>

Approved by the Board



Director



Director



**LIABILITIES AND SHAREHOLDERS' EQUITY****Current liabilities**

	1982	1981
Accounts payable and accrued liabilities	\$ 8,000	\$ 8,000
Note payable to parent	<u>-</u>	<u>194,000</u>
	8,000	202,000

**Shareholders' equity**

## Share capital (Note 4)—

11% cumulative redeemable preference shares \$5 par value; authorized and outstanding 481,800 shares (1981—486,100)	2,409,000	2,430,000
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Common shares without par value; authorized 3,000,000 shares; outstanding 1,048,685 shares	<u>37,994,000</u>	<u>37,994,000</u>
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	40,403,000	40,424,000
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Contributed surplus (Note 4)	11,000	6,000
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Earnings reinvested in the business	<u>55,780,000</u>	<u>71,086,000</u>
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	96,194,000	111,516,000
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<u>\$ 96,202,000</u>	<u>\$ 111,718,000</u>
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**AUDITORS' REPORT**

To the shareholders  
of Canfor Investments Ltd.:

We have examined the balance sheet of Canfor Investments Ltd. as at December 31, 1982 and the statements of operations, earnings reinvested in the business and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such

tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Price Waterhouse*

Price Waterhouse

Vancouver, BC  
March 25, 1983.



# Canfor Investments Ltd.

## SCHEDULE OF EQUITY INVESTMENTS

December 31

	<b>Versatile Corporation</b>	
	1982	1981
<b>Percentage of outstanding common shares held by the Company</b>	<u>43.86%</u>	<u>44.88%</u>
<b>Results for the year</b>		
Revenues	<u>\$ 759,749,000</u>	<u>\$ 895,743,000</u>
Earnings—		
(Loss) earnings before income taxes, including equity share		
of net (losses) earnings of affiliates	\$ (10,783,000)	\$ 110,587,000
Income tax recovery (expense)	<u>11,096,000</u>	<u>(44,728,000)</u>
(Loss) earnings before minority interests	313,000	65,859,000
Provision for minority interests (including preference dividends)	<u>3,726,000</u>	<u>20,187,000</u>
Net (loss) earnings	<u>\$ (3,413,000)</u>	<u>\$ 45,672,000</u>
Equity share of net (loss) earnings	<u>\$ (2,810,000)</u>	<u>\$ 19,314,000</u>
<b>Carrying value of investments</b>		
Shares at cost to the Company	\$ 21,477,000	\$ 21,477,000
Equity share of earnings since acquisition	<u>54,376,000</u>	<u>57,186,000</u>
	75,853,000	78,663,000
Less: Dividends received since acquisition	<u>12,237,000</u>	<u>9,310,000</u>
Carrying value of investments	<u>\$ 63,616,000</u>	<u>\$ 69,353,000</u>
<b>Summary of financial statements</b>		
Financial position as at December 31—		
Current assets	\$ 410,085,000	\$ 425,307,000
Current liabilities	<u>222,742,000</u>	<u>261,132,000</u>
Working capital	187,343,000	164,175,000
Property, plant and equipment, net book value	272,742,000	232,039,000
Other assets	72,155,000	85,403,000
Long-term liabilities	<u>(327,550,000)</u>	<u>(311,254,000)</u>
Net assets	<u>\$ 204,690,000</u>	<u>\$ 170,363,000</u>
Represented by—		
Share capital and contributed surplus	\$ 93,822,000	\$ 48,381,000
Earnings reinvested in the business	<u>110,868,000</u>	<u>121,982,000</u>
Shareholders' equity	<u>\$ 204,690,000</u>	<u>\$ 170,363,000</u>



Prince George Pulp and Paper Limited		Intercontinental Pulp Company Ltd.		Yorkshire Trust Company (unaudited) (Note 2)	
1982	1981	1982	1981	1982	1981
<u>50%</u>	<u>50%</u>	<u>37.5%</u>	<u>37.5%</u>	<u>46.17%</u>	<u>51.59%</u>
<u>\$ 93,077,000</u>	<u>\$ 95,604,000</u>	<u>\$ 84,600,000</u>	<u>\$ 93,360,000</u>	<u>\$ 61,432,000</u>	<u>\$ 54,150,000</u>
\$ (22,557,000)	\$ 4,915,000	\$ (22,033,000)	\$ 4,886,000	\$ 1,763,000	\$ 3,057,000
<u>9,763,000</u>	<u>(1,695,000)</u>	<u>10,006,000</u>	<u>(1,067,000)</u>	<u>135,000</u>	<u>(195,000)</u>
(12,794,000)	3,220,000	(12,027,000)	3,819,000	1,898,000	2,862,000
-	-	-	-	485,000	398,000
<u>\$ (12,794,000)</u>	<u>\$ 3,220,000</u>	<u>\$ (12,027,000)</u>	<u>\$ 3,819,000</u>	<u>\$ 1,413,000</u>	<u>\$ 2,464,000</u>
<u>\$ (6,397,000)</u>	<u>\$ 1,610,000</u>	<u>\$ (4,510,000)</u>	<u>\$ 1,432,000</u>	<u>\$ 1,006,000</u>	<u>\$ 1,167,000</u>
\$ 9,158,000	\$ 9,158,000	\$ 4,834,000	\$ 4,834,000	\$ 6,126,000	\$ 6,126,000
<u>20,736,000</u>	<u>27,133,000</u>	<u>14,727,000</u>	<u>19,237,000</u>	<u>4,994,000</u>	<u>3,988,000</u>
29,894,000	36,291,000	19,561,000	24,071,000	11,120,000	10,114,000
<u>16,550,000</u>	<u>16,550,000</u>	<u>11,250,000</u>	<u>11,250,000</u>	<u>1,014,000</u>	<u>739,000</u>
<u>\$ 13,344,000</u>	<u>\$ 19,741,000</u>	<u>\$ 8,311,000</u>	<u>\$ 12,821,000</u>	<u>\$ 10,106,000</u>	<u>\$ 9,375,000</u>
\$ 55,293,000	\$ 54,728,000	\$ 32,503,000	\$ 48,676,000		
<u>51,133,000</u>	<u>43,660,000</u>	<u>33,865,000</u>	<u>31,384,000</u>		
4,160,000	11,068,000	(1,362,000)	17,292,000		
105,731,000	70,287,000	53,867,000	55,303,000		
2,383,000	2,878,000	5,850,000	4,151,000		
<u>(85,586,000)</u>	<u>(44,751,000)</u>	<u>(36,186,000)</u>	<u>(42,550,000)</u>		
<u>\$ 26,688,000</u>	<u>\$ 39,482,000</u>	<u>\$ 22,169,000</u>	<u>\$ 34,196,000</u>		
\$ 10,000,000	\$ 10,000,000	\$ 8,000,000	\$ 8,000,000		
<u>16,688,000</u>	<u>29,482,000</u>	<u>14,169,000</u>	<u>26,196,000</u>		
<u>\$ 26,688,000</u>	<u>\$ 39,482,000</u>	<u>\$ 22,169,000</u>	<u>\$ 34,196,000</u>		

Note 8



# Canfor Investments Ltd.

## NOTES TO FINANCIAL STATEMENTS

December 31, 1982

### 1. Corporate relationship

The Company is a wholly owned subsidiary of Canadian Forest Products Ltd.

### 2. Accounting policies

The following accounting policies have been applied—

- (a) The investments in Versatile Corporation, Prince George Pulp and Paper Limited and Intercontinental Pulp Company Ltd. are such that they are appropriately accounted for on the equity basis, whereby the Company reflects in its statement of operations its proportionate share of investee earnings or losses and increases or decreases the carrying values of the investments by these amounts. Dividends receivable from these affiliates are accrued as at the dates of record and are deducted from the carrying values of the investments.

The 46.17 per cent investment in Yorkshire Trust Company, which is held by Canfor Investments Holdings Ltd. (a wholly owned non-operating subsidiary), is accounted for on the equity basis. A summary of the financial position of Yorkshire Trust Company is provided in Note 8 and a summary of the results of operations is provided in the schedule of equity investments.

- (b) The cost of the investment in Versatile Corporation was \$3,955,000 in excess of the proportionate underlying net book values of the assets at the times of acquisition. This amount is attributable to land held by certain of that company's subsidiaries and consequently is not being amortized.

Equity (losses) earnings of Versatile Corporation, reflected in the statement of operations and schedule of equity investments, have been adjusted by \$1,313,000 (1981 — \$1,428,000) to reflect the Company's reduced equity interest in Versatile Corporation due to the exercise of warrants at a price less than equity book value.

- (c) The cost of the investment in Yorkshire Trust Company was \$1,563,000 in excess of the proportionate underlying net book values of the assets at the times of acquisition. Of this amount \$47,000 is deemed attributable to land and the

balance of \$1,516,000 is being amortized on a straight-line basis over 20 years. At December 31, 1982 the unamortized amount was \$1,012,000.

Equity earnings of Yorkshire Trust Company, reflected in the statement of operations and schedule of equity investments, are after the following adjustments: The deduction for amortization of \$78,000 (1981 — \$78,000) relating to the excess cost of the investment referred to above; and the adjustment \$460,000 (1981 — \$0) to reflect the increased equity interest in Yorkshire Trust Company due to the issue of shares by that company at a premium.

- (d) Interest income is accounted for on the accrual basis.

### 3. Preference share dividend reserve fund

Pursuant to the terms of issue of the preference shares, a dividend reserve fund is required to provide for payment of dividends to the holders of the preference shares. During the year the fund was used for the payment of preference share dividends of \$265,000 and was subsequently replenished by an equal amount.

The fund was reduced to \$398,000 on December 31, 1982 reflecting the redemption of preference shares (Note 4).

### 4. Share capital and contributed surplus

The Company may redeem the preference shares to October 31, 1985 at prices which range from \$5.40 to \$5.10 per share and at a price of \$5 per share if redeemed after October 31, 1985. In addition, the Company shall purchase, at its discretion and if available, in each year commencing January 1, 1976, up to 25,000 preference shares in the open market at prices not exceeding \$5 per share plus accrued and unpaid dividends and costs of purchase. During the year the Company purchased and cancelled 4,300 preference shares at prices not exceeding \$5 per share.

The contributed surplus of \$11,000 represents the difference between the price paid for the preference shares purchased and their par value.

### 5. Remuneration of directors and senior officers

Directors' fees aggregating \$4,500 were paid in the year (1981-\$4,500). No other amounts were paid or credited to the directors or senior officers of the Company in the year.

### 6. Fully diluted (loss) earnings per share

The calculation of earnings per common share on a fully diluted basis recognizes the existence of warrants and convertible preferred shares issued by Versatile



Corporation and the existence, to a lesser extent, of convertible notes payable in Yorkshire Trust Company. Because of the loss for the year the loss per share will be reduced, when calculated on a fully diluted basis. The effect is thus anti dilutive for the Company for 1982 and is therefore not presented.

## 7. Related party transactions

In May 1982 the Company transferred all its shares (144,806 common shares) in Yorkshire Trust Company to Canfor Investments Holdings Ltd., a wholly owned subsidiary, in return for all the issued shares in that company.

In December 1982 the Company advanced \$400,000 to Canadian Forest Products Ltd. at a rate of interest of prime less one per cent per annum. The amount was repaid in February 1983.

In 1982 a management fee of \$12,000 was paid to Canadian Forest Products Ltd. for services performed.

Prince George Pulp and Paper Limited and Intercontinental Pulp Company Ltd. are subsidiaries of Canadian Forest Products Ltd. Under certain marketing and operating agreements there are transactions between these companies in the normal course of business.

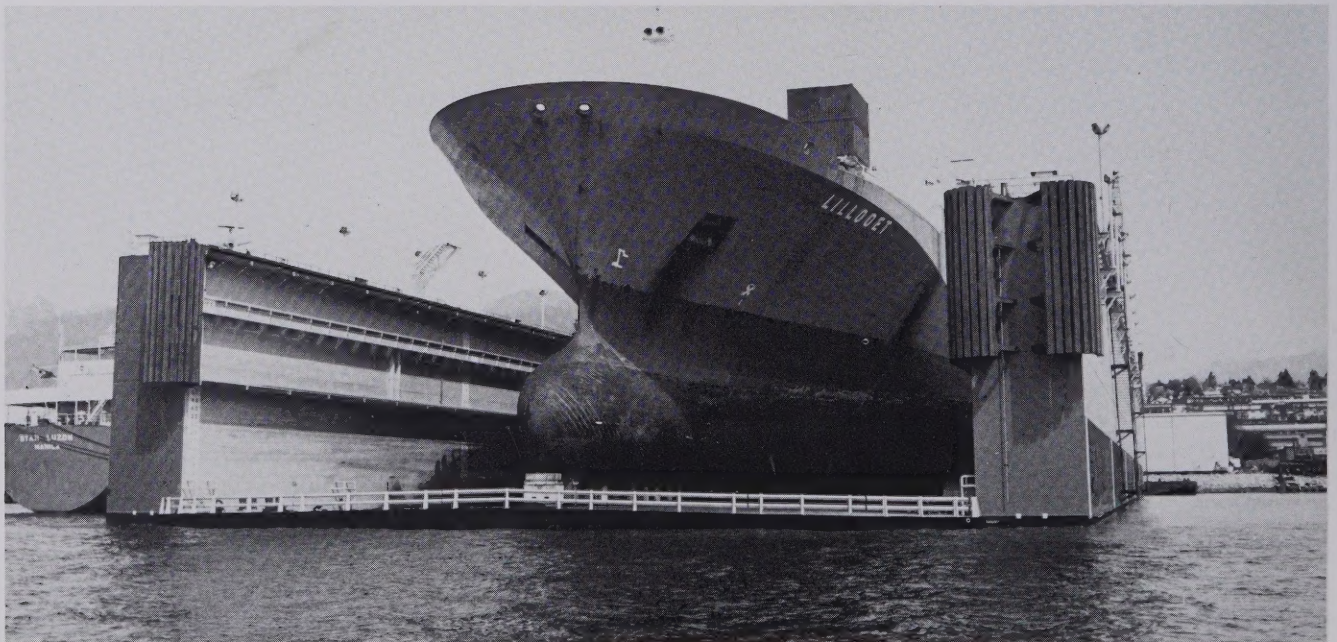
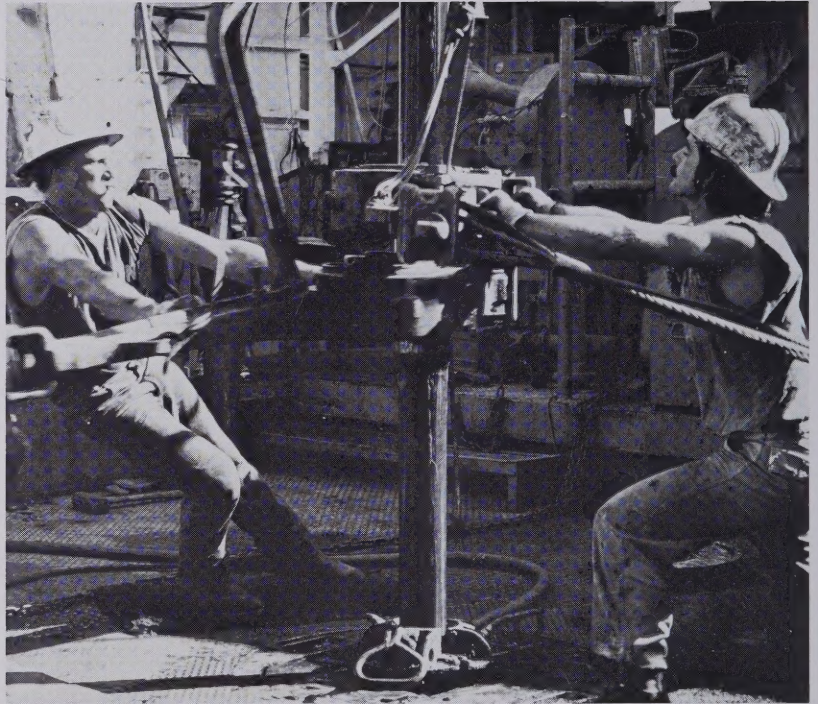
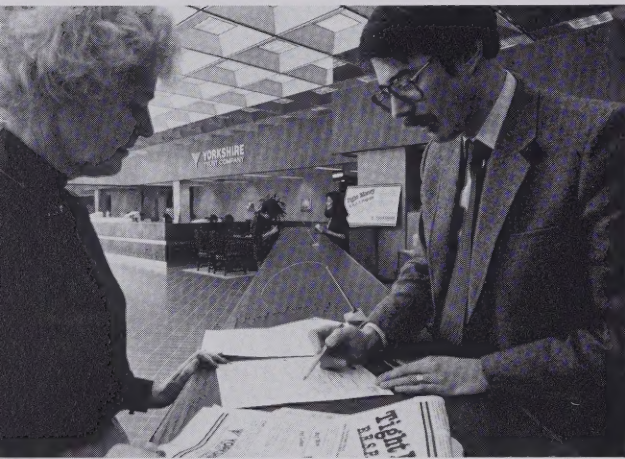
## 8. Supplementary information

A summary of the financial position of Yorkshire Trust Company is as follows—

	December 31	
	1982	1981
Cash, securities, mortgages and real estate held for resale	\$410,590,000	\$360,994,000
Fixed assets, net book value	2,968,000	3,083,000
Other assets	10,460,000	5,285,000
	<u>424,018,000</u>	<u>369,362,000</u>
Guaranteed account	393,163,000	343,672,000
Accounts payable	2,747,000	614,000
Notes payable	424,000	424,000
Deferred liabilities	3,189,000	3,410,000
	<u>399,523,000</u>	<u>348,120,000</u>
Net assets	<u>\$ 24,495,000</u>	<u>\$ 21,242,000</u>
Represented by:		
Share capital and contributed surplus	\$ 14,537,000	\$ 12,137,000
Retained earnings	9,958,000	9,105,000
Shareholders' equity	<u>\$ 24,495,000</u>	<u>\$ 21,242,000</u>



**A Bralorne drilling crew (right) sinks a new hole: After mid-year, oil and gas exploration expenditures were frozen and efforts were focussed on production. Yorkshire's "Tight Money" RRSP program (below) was a successful marketing venture launched late in the year.**



**The huge Burrard Yarrows floating dry dock in North Vancouver was put to good use in 1982, with ship repair activity at twice the annual average of the last 10 years.**



# Corporate data

## DIRECTORS

### Alexander Gordon Armstrong

Vice President, Finance and Secretary  
Canadian Forest Products Ltd.  
Vancouver, British Columbia

### Leopold Lionel Garrick Bentley

Vice Chairman, Canadian Forest Products Ltd.  
Vancouver, British Columbia

### Peter John Gerald Bentley

President and Chief Executive Officer  
Canadian Forest Products Ltd.  
Vancouver, British Columbia

### Ronald Laird Cliff<sup>†</sup>

Chairman, Inland Natural Gas Co. Ltd.  
Vancouver, British Columbia

### Colin Arthur Charles Dobell<sup>†</sup>

Vice President and Director  
Wood Gundy Limited  
Vancouver, British Columbia

### Joseph Bernard Jarvis

Director, Canadian Forest Products Ltd.  
Vice President, Pacific Rim, Canfor Pulp Sales  
A Division of Canadian Forest Products Ltd.  
Vancouver, British Columbia

### John Ronald Longstaffe<sup>†</sup>

Executive Vice President  
Canadian Forest Products Ltd.  
Vancouver, British Columbia

### John Gerald Prentice

Chairman, Canadian Forest Products Ltd.  
Vancouver, British Columbia

### Peter Paul Saunders

Chairman and President  
Versatile Corporation  
Vancouver, British Columbia

<sup>†</sup> Member of the Audit Committee

## OFFICERS

### John Gerald Prentice

Chairman of the Board

### Leopold Lionel Garrick Bentley

Vice Chairman

### Peter John Gerald Bentley

President

### John Ronald Longstaffe

Executive Vice President

### Alexander Gordon Armstrong

Vice President, Finance and Secretary

### Richard Frederick Weinman

Assistant Secretary

### George Brian Hobson

Corporate Controller

### Ray Haslam

Deputy Corporate Controller

## HEAD OFFICE

3000-1055 Dunsmuir Street  
PO Box 49420 Bentall Postal Station  
Vancouver, British Columbia, V7X 1B5

## TRANSFER AGENT AND REGISTRAR

### For preference shares

Yorkshire Trust Company  
1100 Melville Street  
Vancouver, British Columbia, V6E 4B6

500-5th Avenue SW  
Calgary, Alberta, T2P 0L9

### For common shares

Canadian Forest Products Ltd.  
3000-1055 Dunsmuir Street  
Vancouver, British Columbia, V7X 1B5

## STOCK EXCHANGE LISTING

### Preference shares only

Vancouver Stock Exchange

## BANKERS

Bank of Montreal

## SOLICITORS

Lawson, Lundell, Lawson & McIntosh  
Vancouver, British Columbia

## AUDITORS

Price Waterhouse  
Vancouver, British Columbia

## DIVIDEND PAYMENTS ON PREFERENCE SHARES

Dividends in the amount of 27½ cents per preference share are payable semi-annually on the last day of April and October in each year.

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## ANNUAL GENERAL MEETING

The Annual General Meeting will be held on May 16, 1983. Shareholders of the Company owning preference shares in the capital of the Company do not have the right to attend or vote at the meeting.



